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SUBJECT: KUWAIT IPR: CUSTOMS DRAMATICALLY INCREASES
COUNTERFEIT GOODS SEIZURES IN 2005

¶1. (SBU) In 2005, Kuwait Customs boasted a 57% increase in seizures over 2004, with 328 siezures versus 187 the previous year. The bulk of these seizures were of counterfeit auto parts, followed by pharmaceuticals and optical media. Among the seizures were several large shipments of counterfeit auto parts, including two 40-foot shipping containers. Optical media seizures fell nearly 80% vs. 2004, but this can be largely attributed to a few very large busts in 2004 that inflated that year's numbers, rather than a real drop-off in enforcement. Customs has imposed tougher penalties for violators, with fines reaching three times the value of the goods. In another positive indication, the Council of Ministers has ordered the formation of a committee to include representatives from the Ministries of Interior, Commerce, and Information, as well as the Municipality, to cooperate on IPR enforcement. Ten persons from each body will form an active group for field work and execute raids with the the power of legal seizure.

¶2. (SBU) COMMENT: The GOK finally became more serious about IPR in 2005, with improved efforts to decrease violations and prosecute offenders. The dramatic increase in seizures is welcome news, and indicates that Kuwait Customs has been the most aggressive of the GOK entities with IPR responsibilities. Part of Customs' effectiveness stems from the ability to levy its own fines without needing to rely on the Interior or Justice Ministries to prosecute violators. Large seizures of counterfeit auto parts shows that Customs has become more skilled at identifying fakes, a credit to USG- and industry-provided training. It could also indicate that the GOK, while still lukewarm on what some officials describe as "victimless" IPR violations, e.g., media piracy, is more responsive to health and safety problems posed by fake auto parts and pharmaceuticals. END COMMENT
LeBaron